



Economic Development Incentives in our Nation's Capital

Mayor Anthony A. Williams



"Washington, DC is Open for Business"

Since the publication of the 2001 edition of this pamphlet, a dynamic resurgence has taken place in our Nation's Capital. The many cranes dotting the city's skyline are just a surface indication of the \$24 billion of investment that supports more than 150 new retail projects, 42 million square feet of office space and 30,000 units of new housing. We all can take great pride that Washington, DC is gaining new life as a vibrant, thriving city.

Even with the results of our exciting partnerships with Home Depot, Target, Giant and H&M now visible, we continue to work closely with business and community leaders to develop innovative and efficient programs that provide residents, workers and visitors the highest quality places in which to shop, live, dine and work.

In the following pages, you will find helpful information describing the Mayor's newest initiatives including ReStore DC, Brownfields Initiative, Tax Increment Financing and Home Again, as well as updated information about existing programs. I encourage you to take a look at what's available, but for the latest information, please visit our website www.dcbiz.dc.gov.

With one glance or click, I'm sure you will see that more than ever, Washington DC is *open for business*!

Eric W. Price

Eric W. Price
Deputy Mayor for Planning and Economic Development





**Employment Training
Incentives**



**Small Business
Assistance**



**Targeted and Industry
Specific Incentives**



**Housing Development
Incentives**



**Housing Development
Incentives *(Developers)***



**District of Columbia
Priority Development Areas**

Contents



Training

New Image
Development
Center

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Theresa J. Walker, President

EMPLOYMENT TAX CREDITS

The training and hiring of District residents is a win-win public/private partnership for all involved. We've worked hard to offer incentives that reduce operating costs for employers, promote jobs for District residents, and create tax revenues for the city. Our efforts to make training a mutually beneficial activity for both employers and the city are paying off and the business community is taking note. Employers from franchises to construction firms to janitorial service providers are increasing their profits by taking advantage of the many employment tax credits available for training and hiring District residents.

- An accounting firm with 15 mid-sized clients documented total Enterprise Zone (EZ) tax credits of \$1 million for tax years 1998 through 2001.*
- Three small employers used EZ incentives to reduce their federal tax liability by \$102,000 over three years.*
- Between 1999 and 2001, the owners of a DC entertainment facility claimed employment credits valued at \$250,000 annually.*
- A DC manufacturer cut its federal taxes by \$390,000 and a hotel partnership claimed EZ wage credits of more than \$1.5 million during the same three year period.*
- In 2001 alone, one of the District's largest hotel operators reported EZ credits of more than \$1.1 million on DC wages of \$8.6 million—an operating cost reduction of near 13%.*

If you are an employer in the District or thinking about relocating to the District, read on to learn how your business can help its bottom line by simply training and hiring DC residents.

Employment Training Incentives

Incentive	Description	Local Administering Agency	Federal or Local	Eligibility Requirements	Amount Available	Contact
Customized Training Program	Employers are reimbursed for funds spent to train District residents as skilled employees.	Department of Employment Services (DOES) www.does.ci.washington.dc.us	Local	Employers must submit funding request to DOES and negotiate single source contract.	\$500,000 maximum per contract. Amount determined by training provided.	Office of the Deputy Director (202) 698-5140
Enterprise Zone Employment Tax Credit	Annual federal employment tax credit for 20% of wages paid to DC resident employees (up to \$3000 credit per employee).	Office of Deputy Mayor for Economic Development (DMPED)/IRS www.dcbiz.dc.gov	Federal	Business must have primary location in one of the federally designated enterprise zones (to look up an address, see www.hud.gov/ezec/locator) and must meet definition of a qualified enterprise zone business.	Up to \$3,000 per DC resident employee.	Revenue Bond-Enterprise Zone Program (202) 727-6365 see IRS Publication 954 & IRS Form 8844 www.irs.ustreas.gov
Metro Tech Program	Cost of training/certification of information technology professionals is borne by MetroTech. Training funds are paid directly to training entity.	Department of Employment Services (DOES) www.does.ci.washington.dc.us	Local	Training proposals must be approved by a management team. Employers must commit to hiring individuals who satisfy training/certification programs.	Training allowance varies depending on the salary of job being trained for (training costs have ranged from \$100-\$7000 per person).	Metro Tech Program www.metrotechitjobs.com (202) 698-3539

Welfare-to-Work Credit	Up to \$8,500 per employee in federal tax credits for employees that meet eligibility criteria (\$5,000 year one; \$3,500 year two).	Department of Employment Services (DOES) www.does.ci.washington.dc.us	Federal	Employee must be from family on AFDC 18 months+ or have exceeded the maximum AFDC eligibility period.	Maximum claim: \$8,000 per employee over 5 yrs.	Work Opportunity Credit Program Office (202) 698-5599 see IRS Publication 954 www.irs.ustreas.gov
Work Opportunity Credit	Annual federal employment tax credit of up to \$2,400 per employee for employees that meet eligibility criteria.	Department of Employment Services (DOES) www.does.ci.washington.dc.us	Federal	Employee previously on APDC, UET of Food Stamp Family; low income; ex-felons; vocational rehabilitation referrals; youth 18-25 from wages family on food stamps; and EZ youth resident; or summer youth 18-25.	Maximum claim: \$8,000 per employee.	





Contracting

WASHINGTON SPRINKLER COMPANY

Kedrick Evans got his start in the sprinkler installation business in 1995 as a helper with a commercial installer. Eight years later, he is the owner and CEO of Washington Sprinkler Company (WSC) with offices in DC, Baltimore, and Oxford, NC. Since incorporating WSC in 1999, Evans has recognized the importance of the support of the Office of Local Business Development (OLBD) in securing contracts for large-scale development projects. With hard work, persistence and the help of the Local Small Disadvantaged Business Enterprise (LSDBE) Program, WSC has grown from a company that started out installing sprinklers in a single halfway house, to now installing fire-protection services for the Washington Convention Center, Georgetown Incinerator Project, and the 600-unit Henson Ridge Residential Complex. "The support of the local government, particularly the folks at OLBD, has played a big part in taking Washington Sprinkler to the next level. In my negotiations, I use it as serious leverage– but I also know that I have to prove myself. And I don't mind doing that. I'm not asking for anybody to give me anything but an opportunity."

Establishing a reputation for beating deadlines and exceeding client expectations with high-profile, large scale contracts has not only given Washington Sprinkler Co. notable experience and exposure, but the revenues to finance future growth. Kedrick is now making plans for the company's expansion into HVAC and electrical markets, with hopes of positioning WSC as a permanent player in the region's billion dollar construction industry.

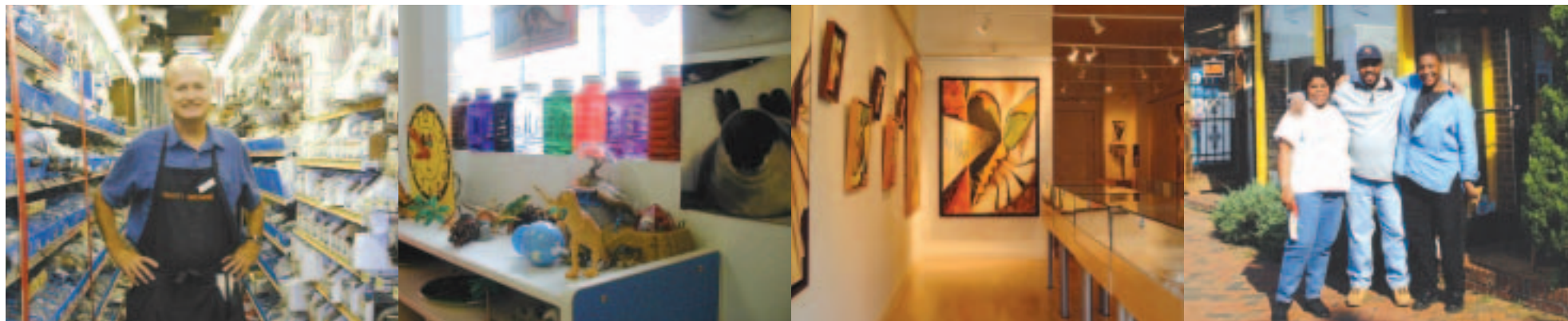
Small Business Assistance

Incentive	Description	Local Administering Agency	Federal or Local	Eligibility Requirements	Amount Available	Contact
District Contracting: LSDBE Program	Certified small, local, and/or disadvantaged business enterprises (LSDBEs) are given priority consideration for contracts offered by District agencies and on publicly-assisted projects.	Office of Local Business Development (OLBD) www.olbd.washingtondc.gov	Local	Company must be certified by OLBD. For certification application see: www.olbd.washingtondc.gov		Office of Local Business Development (OLBD) (202) 727-3900
Economic Development Finance Corporation (EDFC)	Provides loans to qualified small businesses.	National Capital Revitalization Corporation	Local	Borrower must be small business as defined by U.S. SBA size varies with industry type. For definition by business type, see www.sba.gov/size/sizetable.html		National Capital Revitalization Corporation (202) 530-5750
Federal Contracting: HUB Zone Program	Businesses located in federally designated HUB Zones are given preference in bidding for contracts with federal agencies.	U.S. Small Business Administration (SBA) www.sba.gov/hubzone	Federal	<p>HUB Zone certification criteria:</p> <p>Company must be owned and controlled by one or more U.S. citizens.</p> <p>Principal office located within a HUBZone (for map of HUBZones, visit www.sba.gov/hubzone).</p> <p>At least 35% of the company's employees must be HUBZone residents.</p>		<p>Associate Administrator for HUB Zone Empowerment Contracting Program U.S. SBA (202) 205-8885</p> <p>D.C. Board of Trade (202) 857-5971</p>

Incentive	Description	Local Administering Agency	Federal or Local	Eligibility Requirements	Amount Available	Contact
reSTORE DC DC Main Streets	A competitively awarded designation of an existing neighborhood business district engaged in comprehensive economic restructuring and promotion, design improvements, and capacity-building of a local, volunteer-driven organizations established to enhance the commercial district. Designated local Main Street programs receive technical assistance, volunteer/staff training, networking opportunities, publications, access to workshops/ conferences for 5 years, along with an annual grant to help pay operating costs.	Office of the Deputy Mayor for Planning and Economic Development www.dcbiz.dc.gov	Local	Applications are accepted each March and must be submitted by a non-profit corporation.	First year grant of \$80,000 and in-kind professional services.	Office of the Deputy Mayor for Planning and Economic Development (202) 727-6365
reSTORE DC Commercial Development Technical Assistance Program	Awards technical assistance and grants to assist commercial revitalization activities or special volunteer-produced projects that enhance neighborhood business districts not in designated "Main Street" areas.	Office of the Deputy Mayor for Planning and Economic Development www.dcbiz.dc.gov	Local	Applications are accepted semi-annually (April and September) from non-profit community-based organizations working to enhance neighborhood business districts.	Grants from \$500 to \$25,000.	Office of the Deputy Mayor for Planning and Economic Development (202) 727-6365

Incentive	Description	Local Administering Agency	Federal or Local	Eligibility Requirements	Amount Available	Contact
reSTORE DC Commercial Property Acquisition and Development Program	Awards grants to assist in acquiring or developing commercial real estate projects that enhance neighborhood business districts.	Office of the Deputy Mayor for Planning and Economic Development www.dcbiz.dc.gov	Local	Applications are accepted semi-annually (May and October) from non-profit community-based organizations working to enhance neighborhood business districts.	Grants from \$10,000 to \$250,000.	Office of the Deputy Mayor for Planning and Economic Development (202) 727-6365
Technical Assistance: Howard University Small Business Resource Center	Provides small business owners with technical assistance, market research assistance, and access to resources to obtain financing.	Howard University Small Business Resource Center	Private/ Local	Open		Howard University Small Business Resource Center (202) 806-1550
Technical Assistance: Georgia Avenue Business Resource Center	Provides small business owners with technical assistance, market research assistance, and access to resources to obtain financing.	Chamber of Commerce/SBA www.gatewaygeorgia.com	Private/ Local	Open		Georgia Avenue Business Resource Center (202) 545-0220

Incentive	Description	Local Administering Agency	Federal or Local	Eligibility Requirements	Amount Available	Contact
Technical Assistance: Office of Banking and Financial Institutions	Provides technical assistance on an as-needed basis to small businesses applying for financing from larger lending institutions	Office of Banking and Financial Institutions (OBFI) www.obfi.dcgov.org	Local	Available upon request.		Office of Banking and Financial Institutions (OBFI) (202) 727-1563



**Small Business
Assistance**



Development

SPY MUSEUM

Washington, DC is home to the first museum dedicated to the intriguing world of espionage. Housing over 600 artifacts, 900 archival photos and 2 hours of audio-visual programs and interactive displays, the Museum drew over 250,000 visitors to the F St. corridor in its first four months—surpassing projections by 50%.

Located in the District's Enterprise Zone, the Spy Museum was key to revitalizing the historically-significant F Street corridor. Because of its location in the District's Enterprise Zone, project developers—The House of F St., LLC and Malrite—were able to refinance the restaurant and museum portions of the development with \$15,000,000 in tax-exempt Enterprise Zone Facility Bonds, while the residential and office portions of the building were financed with developer equity. It is estimated that using bond proceeds instead of conventional financing will save project developers approximately \$3,000,000 over the life of the bonds.

Targeted and Industry Specific Incentives

**Targeted and Industry
Specific Incentives**

Incentive	Description	Local Administering Agency	Federal or Local	Eligibility Requirements	Contact
Community Development Block Grants	Annual competition for grant awards to assist projects approved by Department of Housing and Community Development.	Department of Housing and Community Development (DHCD) www.dhcd.dcgov.org	Local	Projects that are approved by DHCD and provide affordable housing and or expanded economic opportunities for low- and moderate-income families.	Residential and Community Services Projects Robert Mulderig (202) 442-7292 General Development Projects (202) 442-7282
DC Brownfields Program	A package of incentives and other assistance to encourage the development of qualified Brownfield sites, including: <ul style="list-style-type: none"> • No-cost Phase I/Phase II site assessments • Tax credits for site clean-up • Revolving low-interest loan program for gap financing • Job training and development training for DC residents to assist with clean-up 	DC Department of Health Office of the Deputy Director for Environmental Health, Science and Regulation	Local	Applicants must have current redevelopment plans for abandoned, idle property or industrial property where expansion or redevelopment is complicated by actual or perceived environmental contamination. For more information about project eligibility, call (202) 442-9237.	DC Brownfields Coordinator DC Department of Health (202) 442-9237 dsolomon@dchealth.com
DC Revenue Bond Program (Tax-exempt Bond Financing)	Provides for the issuance and sale of Tax-exempt revenue bonds to finance, refinance and reimburse costs of capital projects, including property acquisition, renovation, construction and purchase of machinery and equipment.	Office of the Deputy Mayor for Planning and Economic Development www.dcbiz.dc.gov	Local	Borrower must be a qualified non-profit manufacturer or EZ business (see below). Application required.	Revenue Bond-Enterprise Zone Program (202) 727-6365 see IRS Publication 954

Incentive	Description	Local Administering Agency	Federal or Local	Eligibility Requirements	Contact
Enterprise Zone Businesses	<p>Annual federal employment tax credit of up to \$3000 for each D.C. employee</p> <p>Exemptions from federal capital gains taxes</p> <p>Increased federal expensing allowance</p> <p>Access to tax-exempt financing</p>	Office of Deputy Mayor for Economic Development (DMPED)/IRS www.dcbiz.dc.gov	Local	<p>Business location within a federally designated EZ (for address locator, see www.hud.ezec/locator)</p> <p>50% of business income earned in the EZ</p> <p>Substantial portion of business property, services and workers within the EZ</p> <p>Incentives available through December 2003, but may be claimed retroactively.</p>	<p>Revenue Bond-Enterprise Zone Program (202) 727-6365</p> <p>see IRS Publication 954 & IRS Form 8844</p>
Supermarket Tax Exemption	Exempts the owner of a qualified supermarket in a priority development area from sales taxes on the purchase of building materials and equipment for construction or substantial rehabilitation of a qualified supermarket; exempts the qualified supermarket from the payment of license fees, personal property taxes, and real property taxes levied on the supermarket for 10 yrs.	Office of Deputy Mayor for Economic Development (DMPED)/IRS www.dcbiz.dc.gov	Local	For more information, see D.C. Act 13-365 (6/26/2000).	Office of Deputy Mayor for Planning and Economic Development (202) 727-6365
Tax Increment Financing (TIF)	Provides for the issuance and sale of tax-exempt governmental revenue bonds to finance public infrastructure redevelopment within one of more predetermined geographic areas on the basis of specific statutory eligibility criteria.	Office of the Deputy Mayor for Planning and Economic Development www.dcbiz.dc.gov	Local	Eligible projects must be consistent with statutory criteria (a Redevelopment Plan) and typically are supported by project feasibility studies, cost/benefit analyses and development agreements.	Office of Deputy Mayor for Planning and Economic Development (202) 727-6365

**Targeted and Industry
Specific Incentives**

NET 2000

Incentive	Description	Local Administering Agency	Federal or Local	Eligibility Requirements	Contact
NET 2000* Affordable Facilities	District agrees to defray facility costs of qualified high tech companies by creating a program to: provide funding assistance for security deposits; allow the District to sub-lease office space at reasonable rates for up to 36 months; make certain schools or other DC government properties available for lease.	Office Tax and Revenue (OTR) http://cfo.dc.gov/etsc.main.shtm	Local	Qualified high tech companies that receive assistance must, in exchange, provide student employment, internships or other training and assistance to DC Public Schools	Office of the General Counsel Office of Tax and Revenue (202) 442-6500
NET 2000* Capital Gains Tax Exemption	Exclusion from taxation of certain capital gains from the sale, exchange or rollover of stock, partnership interests and other assets of qualified high tech companies held for five years.	Office Tax and Revenue (OTR) http://cfo.dc.gov/etsc.main.shtm	Local	Interest in qualified high tech company must be purchased and held for five years.	Office of the General Counsel Office of Tax and Revenue (202) 442-6500
NET 2000* Employment Training Credits	Credit for each employee of up to \$20,000 for costs of approved training during the first 18 months of employment A credit of 50% of wages paid for the first 24 months of employment, up to \$15,000 per employee per year	Office Tax and Revenue (OTR) http://cfo.dc.gov/etsc.main.shtm	Local	Must be a qualified high technology company as defined below. Employee must be recipient of Temporary Aid for Needy Families (TANF), ex-offenders or meet Welfare-to-Work or Work Opportunity Tax Credit eligibility requirements.	Office of the General Counsel Office of Tax and Revenue (202) 442-6500

Incentive	Description	Local Administering Agency	Federal or Local	Eligibility Requirements	Contact
NET 2000* Franchise Tax Reduction	Zero franchise tax on unincorporated business; Five-year elimination of franchise tax on incorporated technology companies in High Technology Development Zones; Reduced franchise tax rate of 6% for all other incorporated tech companies.	Office Tax and Revenue (OTR) http://cfo.dc.gov/etsc.main.shtm	Local	Must be a qualified high technology company as defined below.	Office of the General Counsel Office of Tax and Revenue (202) 442-6500
NET 2000* Personal Property Tax Abatement	Ten-year exemption of personal property taxes for purchases made after December 31, 2000 and an allowance for up to \$40,000 in personal property expense deductions	Office Tax and Revenue (OTR) http://cfo.dc.gov/etsc.main.shtm	Local	Must be a qualified high technology company as defined below.	Office of the General Counsel Office of Tax and Revenue (202) 442-6500
NET 2000* Real Property Tax Abatement	A five-year abatement of increases in property tax rates attributable to renovations to accommodate technology companies and for certain newly constructed buildings.	Office Tax and Revenue (OTR) http://cfo.dc.gov/etsc.main.shtm	Local	Must be a qualified high technology company as defined below.	Office of the General Counsel Office of Tax and Revenue (202) 442-6500
NET 2000* Relocation Expense Reimbursement	\$5000 reimbursement of certain moving expenses or Up to \$7,500 reimbursement of payments for lease or purchase of employee's primary residence in the District	Office Tax and Revenue (OTR) http://cfo.dc.gov/etsc.main.shtm	Local	Must be a qualified high technology company as defined below.	Office of the General Counsel Office of Tax and Revenue (202) 442-6500 Office of the

**Targeted and Industry
Specific Incentives**

Incentive	Description	Local Administering Agency	Federal or Local	Eligibility Requirements	Contact
NET 2000* Sales and Use Tax Exemption	Qualified high tech companies are exempt from certain sales taxes.	Office Tax and Revenue (OTR) http://cfo.dc.gov/etsc.main.shtm	Local	Must be a qualified high technology company as defined below. Eligible tax-exempt property and services are outlined in detail in Section 402 of D.C. Law 13-256. (www.dccouncil.dc.gov)	General Counsel Office of Tax and Revenue (202) 442-6500
NET 2000* Wage Tax Credit	A credit of 10% of wages paid for the first 24 months of employment, up to \$5,000 per employee.	Office Tax and Revenue (OTR) http://cfo.dc.gov/etsc.main.shtm	Local	Must be a qualified high technology company as defined below.	Office of the General Counsel Office of Tax and Revenue (202) 442-6500

***NET 2000 Incentives are available only to qualified high technology companies that:**

Have two or more employees;

Maintain an office, headquarters, or base operations in DC; and

Derive 51% or more of gross revenues from a high tech business as defined in New E-economy Transformation Act of 2000 (D.C. Law 13-526). See Deputy Mayor for Planning & Economic Development (DMPED) website for complete legislation (www.dcbiz.dc.gov)



FRAGER'S Hardware

Frager's Hardware Store, a proud local business serving the Capitol Hill neighborhood, is located in a DC Enterprise Zone. As a result, the business is eligible to claim the EZ Employment Tax Credit for employing numerous District residents, some of whom live in nearby public housing. Frager's used the "extra cash" to offer new product lines—which necessitated the expansion of the store into an adjacent underutilized property. This sound business decision, made affordable by the employer tax credit, has positioned Frager's to hire additional staff to accommodate its growth. The citizens of the District will benefit from increased local tax revenues generated by this healthy, vital and growing business, while residents of the surrounding community now have increased shopping options right around the corner.

Targeted

**Targeted and Industry
Specific Incentives**



Affordable

WALTER E. WASHINGTON ESTATES

The Department of Housing and Community Development (DHCD) provided nearly \$3 million to assist Fort Dupont Park Seventh Day Adventist Church and Union Temple Development Community Development Corporation in building a senior apartment complex and community center at 828 Bellevue St., SE. The funds will be used to stabilize the soil, construct a retaining wall and perform the preliminary preparations for utility services. The Center will service the residents of the senior housing complex as well as the townhouse residents at the Walter E. Washington Estates. DHCD funds were supplemented with an additional \$3 million from HUD's Section 202 Program.

Housing Development Incentives

**Housing Development
Incentives**

Incentive	Description	Local Administering Agency	Federal or Local	Eligibility Requirements	Amount Available	Contact
Employer-Assisted Housing Program (EAHP)	Program Provides: Matching down payment funds of up to \$1,500 (program provides \$500 for each \$2,500 saved by an employee) Deferred payment loans of up to \$10,000.	Housing Counseling Services, Inc. (for DHCD) www.dhcd.dcgov.org	Local	Borrower must: Be a full-time employee of the District of Columbia government for the in good standing for at least one year; Be a first-time homebuyer in DC; and Have personal savings of \$2,500 or an appropriate savings plan.		Housing Counseling Services, Inc. (202) 777-7006
First-Time Homebuyer's Tax Credit	\$5000 federal income tax credit is available to first-time homebuyers in the District of Columbia. Program designed to encourage homeownership in the District.	No agency contact required. Credit can be claimed with annual tax filing (IRS Form 8859) www.irs.ustreas.gov	Federal	To claim entire \$5000 credit, filers must meet following income restrictions: Joint – up to \$110,000 Single – up to \$70,000 To claim partial credit: Joint - \$110,000-\$130,000 Single - \$70,000-\$90,000 Credit currently available through December 2004.	\$5000 limit per first time homebuyer.	Home Resource Center D.C. Housing Finance Agency (202) 777-BOND IRS Form 8859

Incentive	Description	Local Administering Agency	Federal or Local	Eligibility Requirements	Amount Available	Contact
Housing Purchase Assistance Program (HPAP)	<p>Provides interest-free or low- interest loans for down payments, closing costs, or other expenses associated with buying a house, a condominium or a cooperative in the District.</p> <p>Amount of loan is adjusted to reduce the total monthly payment to 28% of household's monthly gross income. For very low income families, repayment of loan is deferred until house is sold.</p>	<p>Department of Housing and Community Development (DHCD) www.dhcd.dcgov.org</p>	Local	<p>Eligible families must meet income restrictions:*</p> <p>(\$32,050-\$70,500 – one person household, \$36,600-\$80,500 – two person household, \$45,750-100,650-four person household)</p> <p>*Year 2002 income limits which are subject to change.</p>	Maximum loan amount - \$20,000	<p>Housing Purchase Assistance Program (HPAP) Department of Housing and Community Development (202) 442-7290</p>
Metropolitan Police Housing Assistance Program (MPHPAP)	<p>Program Provides:</p> <p>Matching down payment funds of up to \$1,500 (program provides \$500 for each \$2,500 saved by an employee)</p> <p>Deferred payment loans of up to \$10,000</p> <p>Ability to keep assigned patrol car during off-duty hours</p> <p>An income tax credit of \$2,00 per year for five years</p> <p>A sliding-scale, five year property tax credit.</p>	<p>Housing Counseling Services, Inc. (for DHCD) www.dhcd.dcgov.org</p>	Local	<p>Borrower must:</p> <ul style="list-style-type: none"> - Be a full-time police officer for the Metropolitan Police Department in good standing for at least one year; - Be a first-time homebuyer in DC; and - Have personal savings of \$2,500 or an appropriate savings plan. 		<p>Housing Counseling Services, Inc. (202) 777-7006</p>

Housing Development Incentives

Incentive	Description	Local Administering Agency	Federal or Local	Eligibility Requirements	Amount Available	Contact
Single-Family Mortgage Revenue Bonds	HFA finances below-market rate loans to low- and moderate-income residents using proceeds from the sale of Single Family Mortgage Revenue Bonds.	D.C. Housing Finance Agency (HFA) www.dchfa.org	Local	Application approval through HFA.	No per project limit, but bond issuance authority is limited by federal government and is divided between multi-family, single-family, and revenue bond projects.	D.C. Housing Finance Agency (202) 777-1600
Single - Family Residential Rehabilitation Program	Provides low-cost financing for the rehabilitation of 1-4 unit residential housing. Provides low-interest amortizing loans for up to 20 years, depending on the financial circumstances of the borrower and the amount of rehab required to correct code deficiencies. Special monies available for handicapped access and senior living improvements.	Department of Housing and Community Development (DHCD) www.dhcd.dcgov.org	Local	Residential property must be owner-occupied or investor-owned and located in Community Development Area or Enterprise Community.	Annual budget of approximately \$895,000. Individual loan amounts vary with the cost of repairs necessary to make building compliant with code. Budget includes monies for Handicapped Access Improvements Program and Senior Citizen Home Repair Program	Single - Family Residential Rehabilitation Program Department of Housing and Community Development (202) 442-7280



Community

**Housing Development
Incentives**



Investment

TRINITY TOWERS

The Trinity Towers project at 3023 14th St., NW was joint effort of various District agencies, resulting in public investment exceeding over \$15 million. The Department of Housing and Community Development funded the acquisition of the Columbia Heights property with \$4,480,000 from the Construction Assistance Program. The DC Housing Finance Agency issued \$9,200,000 in tax-exempt bonds on behalf of the project's developer, Community Partners Development Group, to finance renovations. Community Partners also capitalized on \$6,006,000 in tax credits through the Low Income Housing Tax Credit Program.

To assist with the construction, Community Partners partnered with a Certified Local Small and Disadvantaged Business, Guilford Corporation. Just by recruiting locally, Guilford was able to hire 5 local residents to work on the project and has permanently hired three, providing one of them training at Montgomery College. Guilford is now exploring the idea of institutionalizing a company-wide training program for local residents.

The Trinity Towers project is part of a joint effort for developing the entire Columbia Heights area. Just next door, the District issued \$2.8 million in bonds for 14th & Irving, LLC to finance the construction of retail space for CVS and Capital City Public Charter School.

By providing these funds, the District not only expedited the transformation of an aging apartment building, but insured that hundreds of units of affordable housing, community-serving retail, and quality education remain available in the fast-growing Columbia Heights neighborhood.

Housing Development Incentives (Developers)

Incentive	Description	Local Administering Agency	Federal or Local	Eligibility Requirements	Amount Available	Contact
Construction Assistance Program	Provides assistance to nonprofit land trusts to acquire land and buildings for development of low- and moderate-income housing.	Department of Housing and Community Development (DHCD) www.dhcd.dcgov.org	Local	Property title must be retained by the nonprofit trust with provisions for permanent dedication for use as low- and moderate- income housing.		Construction Assistance Program Department of Housing and Community Development (202) 442-7280
Distressed Properties Improvement Program (DPIP)	<p>Deferral or forgiveness of real- estate taxes, water charges, and other public debts owed on rental properties, as an inducement for owners to rehabilitate previously vacant housing.</p> <p>See Title VIII of the D.C. Rental Housing Act of 1985</p>	Department of Housing and Community Development (DHCD) www.dhcd.dcgov.org	Local	15% of completed units must serve low- and moderate-income households.		Distressed Properties Improvement Program (DPIP) Department of Housing and Community Development (202) 442-7280

Incentive	Description	Local Administering Agency	Federal or Local	Eligibility Requirements	Amount Available	Contact
Emergency Shelter Grant Program	Grants for renovation, rehabilitation or conversions of buildings for use as emergency homeless shelters.	Office of the Deputy Mayor for Children, Youth, Families and Elders	Local	Finished project must provide shelter to homeless individuals.		Emergency Shelter Grant Program Office of the Deputy Mayor for Children, Youth, Families and Elders (202) 727-6946
Home Again Program	Assumes site control of abandoned properties and sells them to developers who rehab them into new homeownership opportunities.	Office of the Deputy Mayor for Planning and Economic Development www.dcbiz.dc.gov	Local	Developers interested in the initiative must first be pre-qualified. To pre-qualify, developers must submit a response to the Home Again Initiative Request for Qualifications (RFQ). Responses to RFQ are accepted bi-annually. For most current version and deadline, visit www.dcbiz.dc.gov		Office of the Deputy Mayor for Planning and Economic Development (202) 727-3774

Incentive	Description	Local Administering Agency	Federal or Local	Eligibility Requirements	Amount Available	Contact
Housing Finance for Elderly, Dependent and Disabled (HoFEDD)	Provides financing to commercial and nonprofit applicants to develop housing for individuals with special needs.	Department of Housing and Community Development (DHCD) www.dhcd.dcgov.org	Local	Residential facilities must house individuals with special needs, including drug and alcohol abusers, the homeless, the mentally and physically disabled and the elderly.		Housing Finance for Elderly, Dependent and Disabled (HoFEDD) Department of Housing and Community Development (202) 442-7280
Housing Production Trust Fund Program	Provides financial assistance to nonprofit and commercial developers for low- to moderate-income.	D.C. Housing Finance Agency (HFA) www.dchfa.org	Local	Must provide low- to moderate-income housing and related facilities.		Housing Production Trust Fund Program Department of Housing and Community Development (202) 442-7280

Incentive	Description	Local Administering Agency	Federal or Local	Eligibility Requirements	Amount Available	Contact
Low Income Housing Tax Credit Program (9%)	Provides 9% federal income tax credits to developers of new or rehabilitated affordable rental housing.	Department of Housing and Community Development (DHCD) www.dhcd.dcgov.org	Local	Housing must be provided for low- and moderate-income persons.		Low Income Housing Tax Credit Program Department of Housing and Community Development (202) 442-7131
Low Income Housing Tax Credit Program (4%)	Allocates 4% tax credit to developers of new or rehabilitated affordable rental housing.	D.C. Housing Finance Agency (HFA) www.dchfa.org	Local	Must meet affordable housing guidelines (min. 20% affordable housing for persons with 50% of median income and 40% for persons with 60% of median income). MD-VA-DC MSA median income is \$91,500*. *Statistic \$91,500 as of FY2002. Subject to change	Amount of tax credit varies with size of the project.	Multi-family Public Finance Division D.C. Housing Finance Agency (202) 777-1600

Incentive	Description	Local Administering Agency	Federal or Local	Eligibility Requirements	Amount Available	Contact
McKinney Act Loan Program	Provides 2-yr, 2% below-prime loans for pre-development costs of projects that serve very low-income (below 50% AMI) or special needs populations.	D.C. Housing Finance Agency (HFA) www.dchfa.org	Local	Project must serve households with incomes below 50% of median income or special needs populations.	Loan amounts typically range from \$200,000-\$300,000. Program receives a portion of unused tax-exempt allocation from revenue bond program. This amount varies annually (\$60,000,000 in FY 2000).	Multi-family Public Finance Division D.C. Housing Finance Agency (202) 777-1600
Multi-Family Housing Rehabilitation Loan Program	Provides low-cost interim construction financing for the rehabilitation of residential rental properties containing 5 or more units.	Department of Housing and Community Development (DHCD) www.dhcd.dcgov.org	Local	Program available to developers of rental housing and lower-income cooperative housing.		Multi-Family Housing Rehabilitation Loan Program Department of Housing and Community Development (202) 442-7280

Incentive	Description	Local Administering Agency	Federal or Local	Eligibility Requirements	Amount Available	Contact
Tax Abatement for New Residential Development	Tax abatements intended to provide incentives for the production of new housing downtown and for the production of affordable, mixed-income housing in high cost areas of the District of Columbia.	Office of the Deputy Mayor for Planning and Economic Development www.dcbiz.dc.gov	Local	<p>Tax abatements are available for market rate affordable, mixed-income housing projects of 10 units or more. Mixed-income tax abatements are available to projects that are affordable to a mix of families, including extremely low-income (less than 30% of AMI), very low-income (less than 50% of AMI), and low-income (50% and 80% of AMI) families.</p> <p>Eligible projects must be located in one of the following areas: Downtown, North of Mass. Ave., and High Rent Neighborhoods.</p>	The Mayor may provide \$7 million in tax abatements a year for 10 years to housing projects in three eligibility areas.	<p>To view full legislation online, see www.dccouncil.dc.gov (Bill 14-1067)</p> <p>Scott Barkan Office of the Deputy Mayor for Planning and Economic Development (202) 727-6365</p> <p>For the latest updates on the status of housing legislation, visit www.dcbiz.dc.gov</p>

Incentive	Description	Local Administering Agency	Federal or Local	Eligibility Requirements	Amount Available	Contact
Tax-Exempt and Taxable Multi-Family Mortgage Revenue Bonds	Bond financing is available for permanent and construction debt associated with the construction/renovation of rental and cooperative housing.	D.C. Housing Finance Agency (HFA) www.dchfa.org	Local	Must apply for financing through HFA.	No per project limit, but bond issuance authority is limited by the federal government and is divided between multi-family, single-family, and revenue bond projects.	Multi-family Public Finance Division D.C. Housing Finance Agency (202) 777-1600
Tenant Purchase Technical Assistance Program	Provides technical assistance, legal counseling, loan packaging and management assistance.	Department of Housing and Community Development (DHCD) www.dhcd.dcgov.org	Local		\$300,000 annual budget for two contracts: 1) Organization and Development of tenant groups 2) Operation of Greater Washington Mutual Housing Association (provides housing management and sales/purchase services).	Tenant Purchase Technical Assistance Program Department of Housing and Community Development (202) 442-7280



Wheeler Creek - 314 new units near Wheeler Rd. and Mississippi Ave., SE (Ward 8). Total District Investment - \$54,506,429



Restaurant on 8th St., SE (designated Main Streets Program Participant)



Monterrey Park - 56 units of single-family housing at 7th St. and Mississippi Ave., SE (Ward 8). Total District Investment - \$10,000,000



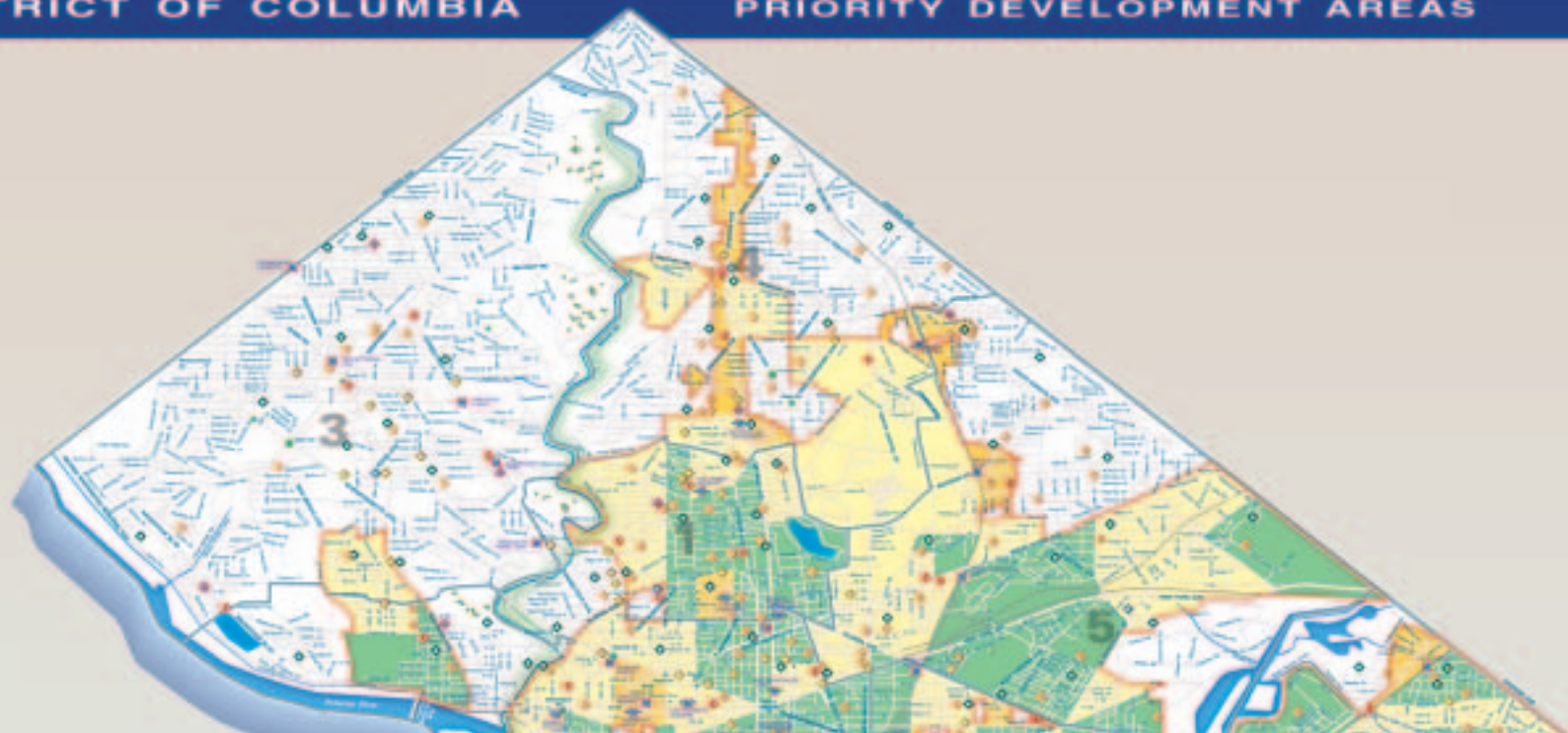
Stanton Glenn - 378 units on Stanton Rd., SE (Ward 8). Total District Investment - \$31,770,393.

Neighborhood

**Housing Development
Incentives** *(Developers)*

DISTRICT OF COLUMBIA

PRIORITY DEVELOPMENT AREAS



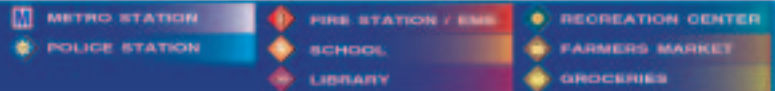
Green Areas: Primary Enterprise Zones — eligible for tax-exempt financing (up to \$15 million per borrower) DC Employment Tax Credit (up to \$3,000 per DC resident); increased Section 179 deduction; and exemption from federal capital gains taxes for qualified businesses.

Yellow Areas: Secondary Enterprise Zone — eligible for exemption from federal capital gains taxes.

Gold Areas and All Areas Outlined in Red: High Technology Zones/Priority Development Areas (for more information, see www.dcbiz.dc.gov)



Legend



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